

## 1 SENATE JOINT RESOLUTION

2 WHEREAS, Public Act 91-698, effective May 6, 2000,  
3 amended the Sales Finance Agency Act (205 ILCS 660) and the  
4 Consumer Installment Loan Act (205 ILCS 670) to authorize the  
5 Department of Financial Institutions to adopt rules necessary  
6 for the protection of consumers in Illinois; and

7 WHEREAS, The Department of Financial Institutions  
8 proposed rules titled "Consumer Installment Loan Act" (38 Ill  
9 Adm Code 110) on August 11, 2000 at 24 Ill. Reg. 11717  
10 regulating loans with annual interest rates exceeding 36% for  
11 periods of less than 60 days, if secured by an automobile  
12 title, or for periods of less than 30 days, if not secured by  
13 a title; and

14 WHEREAS, Among other provisions, the Department's rules  
15 limit lenders of these short-term loans to simple interest,  
16 require lenders to provide applicants and debtors with  
17 information about debt management services, require release  
18 of any liens within 24 hours after a short-term loan is  
19 repaid, and require lenders to verify that a borrower has not  
20 received another short-term loan within the previous 15 days;  
21 and

22 WHEREAS, The Department of Financial Institutions  
23 submitted its proposed rules on October 17, 2000 to the Joint  
24 Committee on Administrative Rules, which reviewed the rules  
25 and issued a Statement of Objection; and

26 WHEREAS, The Joint Committee on Administrative Rules  
27 found that the proposed rules constitute a serious threat to  
28 public interest, safety, or welfare, and the filing  
29 prohibition gives the agency an opportunity to revisit those  
30 provisions and consider less onerous alternatives; and

31 WHEREAS, Citing public comment, the Joint Committee on

1 Administrative Rules noted that the proposed rules present an  
2 unreasonable economic burden to small lenders, which in turn  
3 may diminish the availability of financial resources for  
4 consumers with limited options; and

5 WHEREAS, Based on this determination, the Joint Committee  
6 on Administrative Rules prohibited the above-cited rulemaking  
7 at its meeting on November 29, 2000; and

8 WHEREAS, Because Section 5-115 of the Illinois  
9 Administrative Procedure Act states that a Prohibition of an  
10 agency's proposed rule is effective for a period of at least  
11 180 days, the Prohibition issued by JCAR commenced November  
12 30, 2000 and will terminate on May 28, 2001, unless continued  
13 by adoption of this Joint Resolution by both houses of the  
14 General Assembly as provided by Section 5-125(c) of the  
15 Illinois Administrative Procedure Act; and

16 WHEREAS, The General Assembly may permanently prohibit  
17 filing of these rules by joint resolution before the  
18 conclusion of that 180-day period, as further provided in  
19 Section 5-115 of the Illinois Administrative Procedure Act;  
20 therefore, be it

21 RESOLVED, BY THE SENATE OF THE NINETY-SECOND GENERAL  
22 ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF  
23 REPRESENTATIVES CONCURRING HEREIN, that the Prohibition by  
24 the Joint Committee on Administrative Rules of the rules  
25 proposed by the Department of Financial Institutions under  
26 Public Act 91-698 and initially published in the Illinois  
27 Register on August 11, 2000 be continued; and be it further

28 RESOLVED, That copies of this resolution be forwarded to  
29 the Executive Director of the Joint Committee on  
30 Administrative Rules and the Director of Financial  
31 Institutions.